

TAX HINTS – THE LIAISON LINK

To Promote Practitioner-IRS partnerships

Beanna's Corner

Inside this issue:

Beanna's Corner	1
Legislative Affairs	1
From Kevin Brown	2
New e-services Tools	2
Reporting Suspicious Activities	3
Message from OPR	3
Correspondence with an IRS Campus	3
TAS Seeks Input	5
Car Donations	5
IRS Leadership Appointment	6
Tax Talk Today	6
EFTPS	7
IRS e-file # 1 in Advertising Competition	7
2004 Spanish Calendar Available	7
2004 Nationwide Tax Forums	8
Worth a Second Look	9
DOJ/IRS Practitioners Held to Higher Standards	10
Message for Tax Professionals	11
IRS Headliners	12
2004 Tax Calendars	13
Taxing Trivia and Quotes	17
Filing LMSB Returns	18
Letters to the Editor	22



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April 15th is but a memory and Issue 2 of Tax Hints – The Liaison Link is on your computer inviting you to read about IRS senior leadership changes in the Small Business/Self Employed Operating Division as well as other executive appointments within the IRS. Be introduced to Kevin Brown, Commissioner of SB/SE. In this edition you will read valuable information concerning EFTPS, the Electronic Federal Tax Payment system as well as to how you can obtain the 2004 Spanish Tax Calendar for your Spanish speaking tax clients. Important information, such as, where to file returns and a third quarter tax calendar are included for your use. Don't miss page 11 with a message particularly designed for Tax Professionals. In other words, The Liaison Link is full of useful information and tools to enhance your practice. Oh, and don't miss that Taxing Trivia on page 17.

Winding down after tax season, enjoy the brief break. We hope your summer plans include attendance at one or more of the IRS Nationwide Tax Forums, re-born for 2004 as **YOUR** Nationwide Tax Forum... See page 8 for dates, times and locations.

Keep those emails coming! We are pleased you are complimentary of The Liaison Link. Continue to make recommendations. This publication is for you!

Legislative Affairs Update

Summary of Provisions Contained in H.R. 1528.(formerly S. 882), the Tax Administration Good Government Act of 2004

On May 19, 2004, the Senate passed H.R. 1528 (formerly S. 882), the **Tax Administration Good Government Act**. The House passed its version of H.R. 1528, the Taxpayer Protection and IRS Accountability Act of 2003, on June 19, 2003. Many of the provisions in H.R. 1528 were sought by the IRS.

The two versions together contain 112 provisions affecting IRS tax administration.

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.

IRS
Department of the
Treasury
Internal Revenue Service
www.irs.gov



In addition to the provisions affecting tax administration, the bills contain 16 Tax Court personnel provisions (Sen. Sec. 304-23) and one provision relating to Treasury auction reforms (Sen. Sec. 125 and House Sec. 508).

For further information and comparisons, visit: <http://www.hq.irs.gov/la/BranchC/Proposed%20Legislation/Index.htm>

Message from Kevin Brown, Commissioner Small Business/Self Employed

Although I was recently appointed as division commissioner, I spent the last year as the chief of staff for the IRS Commissioner and three years as the Small Business/Self-Employed (SB/SE) division counsel, so I've had the pleasure of meeting many tax professionals during that period. I'm looking forward to meeting more of you in the months to come.

SB/SE services 45 million taxpayers who pay over \$915 billion in taxes, including personal, corporate, employment, excise, estate and gift taxes. Our taxpayers include about 33 million fully or partially self-employed individuals and 7 million small business entities, including corporations and partnerships with assets of \$10 million or less. With over 80% of our customers utilizing accounting and tax services, the practitioner community is a vital partner in helping entrepreneurs meet their tax obligations.

In this respect, we share a common goal, but travel different paths to achieve it. Practitioners are obliged to offer their customers sound tax advice and legal counsel, just as we must run a balanced system of tax administration. You may have heard the IRS Commissioner remark that, "service plus enforcement equals compliance." This means that SB/SE has to find ways to improve service to our customers, as well as enforcement efforts, all the while respecting the rights of taxpayers. The reward for these efforts – a more compliant taxpaying public.

Please note that I didn't say service *or* enforcement – the IRS must do *both*. SB/SE has made progress on improvements to technology, such as enhancements to the Practitioner Priority Service, expanded business electronic filing and a suite of e-services for tax practitioners. At the same time, we have opened new fronts in the battle to curb deliberate non-compliance. Our enforcement statistics demonstrate that we have arrested the decline that began in the nineties. For fiscal year 2003, audits and monies collected were all up.

It is our hope that making it easier to report and pay taxes, coupled with enhanced enforcement activities, will strengthen the integrity of our tax system. That is a goal that practitioners and IRS can be proud to share.



Kevin Brown,
Commissioner
Small Business/Self Employed

Kevin Brown was recently appointed as the commissioner of the SB/SE Division. Prior to his appointment, Kevin served as the chief of staff for IRS Commissioner Mark Everson.

From 2000 to 2003, Kevin was SB/SE division counsel, serving as the principal advisor to the SB/SE commissioner on legal issues relating to small business customers.

Before joining the IRS, Kevin worked at the Department of Justice as an attorney in the Tax Division's Appellate Section from 1987 through 1996, and served as counsel to the assistant attorney general for Appellate Matters from 1996 through 1998.

New e-services Tools Expected to Increase e-filing. Improve Customer Service

Internal Revenue Service announces the release of two new electronic tools for tax professionals. **Disclosure Authorization** and **Electronic Account Resolution** are the latest additions to the IRS suite of e-services that give tax professionals online options for working with the IRS.

The *Disclosure Authorization* tool gives eligible tax practitioners an online response with the IRS option for submitting Power of Attorney or Taxpayer Information *Authorization forms*. *Electronic Account Resolution* allows tax practitioners to electronically correspond with the IRS.

Disclosure Authorization and **Electronic Account Resolution** are premium e-services, they are available to tax professionals who successfully e-file 100 or more individual tax returns, and are registered to use e-services.

Disclosure Authorization and **Electronic Account Resolution** are just two of the products developed and delivered through the IRS Business *continued on page 4*

Reporting Suspicious Activity

Fraudulent claims, documents and other activity affect everyone. If you suspect or know of an individual or company that is not complying with the tax laws, report this activity.

For tax professionals, two separate avenues for reporting are available. The first is open to all IRS customers. Information about suspected fraudulent activity is reported to IRS technicians, who forward referrals to the appropriate office.

As of June 2004, this line may also be used to report complaints against other practitioners. This process is being tested through the remainder of the year to evaluate the need for a separate line for practitioner referrals.

The second avenue is offered by our Small Business/Self-Employed Division to tax professionals specifically for reporting activity involving schemes.

Schemes are usually perpetrated on behalf of more than one individual, are complex in nature and involve multi-layer transactions for the purpose of concealing the true nature and ownership of the taxable income and/or assets.

Reporting general suspicious activities:

By phone: 1-800-829-0433

By mail: Correspondence can be mailed to the service center in your location, see:

www.irs.gov/file_index.html.

Suspected fraudulent W-2s: For procedures and contact information to report suspicious W-2s, see Publication 3857, if you suspect false information.

Reporting suspicious activities involving schemes.

By phone: 1-866-775-7474

By e-mail: www.irs.tax.shelter.hotline@irs.gov

By mail or fax: To report a scheme by mail or by fax, please use the "Referral Form for Reporting Abusive Tax Promotions and/or Promoters." The form can be found at: www.irs.gov/pub/irs-utl/referralform_reportingabusiveschemes.pdf

Message From The Office of Professional Responsibility (OPR)

On June 24, 2004, the Office of Professional Responsibility, (OPR) posted to their website information on two topics:

- Research into the possibility of the IRS outsourcing the **Special Enrollment Examination (SEE)**.
- Process for getting client list from **Centralized Authorization File (CAF)** has been streamlined.

1. The IRS had planned to solicit private industry interest in assuming the responsibility as early as 2005 so the 2004 SEE test, scheduled for September 22 and 23 of this year would be the

Continued on page 5

Correspondence with an IRS Campus

IRS sends well over 100 million notices annually. Most of these notices (approximately 68%) are sent to small businesses and self-employed taxpayers. There are more than 400 separate notices, but the number of possible messages becomes astronomically higher when you consider the number of paragraphs and the various combinations.

How can you as a tax professional respond to notices or write correspondence so that the IRS Campus can process it in the most efficient manner? First and foremost – respond in a timely manner! If at all possible, respond within two weeks of the notice issuance or request for information.

The response to a notice should be mailed to the IRS address shown on the notice. Notices may not be received from the IRS Campus where the return was filed. A copy of the notice or letter from the Service should be placed on top of your correspondence to assist the Campus in directing your response.

continued on page 4.

Correspondence with an IRS Campus—Continued

continued from page 3.

It is important that the correspondence be legible, so if there is any doubt others may have difficulty reading your handwriting, please type your response. Always include your client's Name, SSN/EIN, the tax period in question, and the CP Notice Number if known on your response even if the information also appears on a notice you intend to include with your response. This way, if your response should get separated from the Service issued notice – it can still be referred to the proper area for resolution.

If a payment will be included with your response – place it on top of the correspondence and always include an SSN/EIN, tax period and name control (first four letters of the last name or business name) on the face of the check. This information is vital because the check will be separated from the correspondence immediately and this will ensure the payment is applied to the correct account and tax period. Never use "IRS" as the payee; instead make checks payable to the United States Treasury. The IRS acronym can be easily altered should the check land in the wrong hands!

When your client receives a notice, only respond to the information requested in the notice. If the taxpayer has additional issues not identified by the notice, it is best to send separate

correspondence. Always include a copy of the notice with the correspondence and any additional information that will validate the explanation of why the notice is incorrect. When the notice concerns a missing payment, include a copy of the front and back of the check to expedite resolution.

The original return should not be included with the correspondence unless it is marked as **DUPLICATE** or **DO NOT PROCESS** in a bright color that stands out, such as *red*. If a return is not identified as a duplicate, it can be separated from the correspondence and re-processed, causing a delay in the resolution. If a request for a missing schedule or form is received, **ONLY SEND THE MISSING SCHEDULE OR FORM** with a copy of the request.

Always include your phone number, fax number, email address, and CAF number if appropriate, on the correspondence. Always include the best time that you can be reached. The IRS employee may be able to expedite resolution by contacting you if there is a valid Power of Attorney (POA) on file for the taxpayer and tax period in question. If no POA exists, include a Form 2848, Power of Attorney and Declaration of Representative with your correspondence. If you do not have a POA, the Service will respond to your client directly.

Keeping these suggestions in mind when you correspond with the IRS Campuses will benefit you and your client by expediting a timely resolution.

New e-services Tools Expected to Increase e-filing. Improve Customer Service

Continued from page 2

Systems Modernization program. They are part of the e-services project which has already delivered: Registration, Online e-file Application, Preparer Tax Identification Number (PTIN) Application and Taxpayer Identification Number (TIN) Matching. Only approved IRS business partners, such as e-filing tax professionals and payers, are eligible to use e-services, which are available 24 hours a day, seven days a week.

For more information and to enroll as an approved IRS business partner visit:

<http://www.irs.gov/taxpros/article/0,,id=109646,00.html>

Taxpayer Advocate Service Seeks Input on Systemic Tax Issues

Members of the public who encounter systemic tax problems can now use the Internet to bring them directly to the attention of the IRS Taxpayer Advocate Service.

“**Individuals** who have identified systemic issues that affect taxpayers on an ongoing basis will find it both easier and faster to use this new system,” said Nina E. Olson, the National Taxpayer Advocate.

Those wishing to bring issues to the attention of TAS can go to www.irs.gov/advocate and click on “*What is Systemic Advocacy*.” Private information, such as taxpayer names and identification numbers, will be screened out of any submissions. The system will also automatically generate a receipt notice for those taxpayers, tax practitioners, academicians and researchers who use it.

Advocacy projects will be initiated on those items that affect multiple taxpayers and relate to IRS systems, policies and procedures.

TAS opens advocacy projects on systemic issues that affect individual taxpayers, business taxpayers or both. In contrast with taxpayer-specific cases, systemic issues affect segments of the taxpayer population—locally, regionally or nationally.

To submit suggestions for advocacy projects, taxpayers previously were required to complete IRS Form 14411, “*Systemic Advocacy Issued Submission Form*,” online and then e-mail or fax the submission. This method is still available, but taxpayers should find the Web-based application easier to use. Taxpayers who lack Internet access can obtain Form 14411 by calling:

1-800-TAX-FORM (1-800-829-3676).

Message From The Office of Professional Responsibility (OPR)

Continued from page 3

last one developed and administered by the IRS. For a number of reasons, it now appears likely that this timeline cannot be met and the plans have been revised accordingly. For further information and updates visit the OPR website at:

<http://www.irs.gov/taxpros/agents/index.html>

2. Based on feedback received from the tax professional community, access to their client list as reflected on the CAF was a source of frustration and concern. In the past they were told to file a *Freedom of Information Request* to get this information, which frequently took months to receive. While a *Freedom of information Request* is still required, the goal is to have reports issued within approximately 20 days of receipt of a properly completed request. To see a letter template to request this information, and for further information, go to:

<http://www.irs.gov/taxpros/agents/index.html>

Focus on Car Donations

IRS now has two new publications available dealing with car donations, as part of an effort to help taxpayers avoid potential pitfalls when they donate automobiles to charities.

- Publication 4302, “*A Charity’s Guide to Car Donations*,” addresses issues that charities need to know to properly operate car donation programs.
- Publication 4303, “*A Donor’s Guide to Car Donations*,” focuses on individuals who make such donations.

Both publications were written in conjunction with state charity officials, as part of an ongoing effort by state and federal officials to work together to educate taxpayers and charities.

“**We** want people and the charities to make sure they are taking the proper steps involving vehicle donations,” said IRS Commissioner Mark W. Everson. “Supporting charitable activities through tax deductible contributions is an important element of tax law and serves the national interest. But we encourage people to proceed carefully when donating vehicles.”

IRS Announces Senior Leadership Appointments



- **April 15**, oath administered to Donald Korb, who becomes the 46th IRS Chief Counsel.
- **On April 22**, Richard A. Spires named the first Associate Chief Information Officer (CIO) for Modernization Management.
- **The appointment of John Binnion** to serve as the Associate Chief Information Officer (ACIO) for Management, in MITS announced April 30.
- **Announced May 25**, Rich Morgante to be Deputy Commissioner of the Wage and Investment Division effective June 1. Morgante will replace John C. Duder, who will retire from the IRS at the end of his four-year appointment. In addition, W&I Commissioner Henry O. Lamar, Jr., also announced his intention to retire in June 2005. At that time, Morgante is expected to assume the W&I commissioner's position.
- **Effective June 1**, Steven T. Miller became Commissioner of the Tax Exempt and Government Entities Division. As commissioner of TE/GE, Miller will direct one of the agency's four service-wide enforcement priorities to discourage and deter non-compliance within tax-exempt and government entities. Miller replaces Evelyn Petschek, who became the Commissioner's Chief of Staff on June 1.
- **On June 15**, Linda E. Stiff was announced as Deputy Commissioner of the agency's Small Business/Self-Employed Division SB/SE.
- **Announced June 29**, Sarah Hall Ingram appointed as new Deputy Commissioner of Tax Exempt and Government Entities Division (TE/GE). She will report to Steven T. Miller.
- **Martha Sullivan** appointed on June 29, as the new Director of the Exempt Organizations Division, responsible for administering and enforcing the tax laws that apply to more than 1.6 million organizations recognized by the IRS as exempt from tax.
- **June 29**, Preston Butcher, appointed as Director of Government Entities (GE). Butcher will oversee a broad range of specialized tax administration and compliance programs that apply to government entities. He replaces Charles Peterson.

Tax Talk Today

May 2004: IRS Examination Program Changes

This program addressed new procedures for determining the scope of the examination, practitioner involvement in setting the schedule for conducting the exam and the increased role that IRS managers will play in the entire examination process.

June 2004: Collection Program Update

This program provided the latest directions to IRS field collection officers. If you ever wondered how and why decisions are made about collection procedures, you will find your answers in this program.

July 2004: Getting It Right: Forms W-4, W-2, I-9 and 941

During this program the Social Security Administration, American Payroll Association, National Association of Tax Reporting and Payroll Management, and the IRS discussed the tools available to help employers get the correct information from their employees and how to provide this information to the right agency.

Did you miss these programs, or others that were previously aired? To view them in the Tax Talk Today archive go to:

<http://www.taxtalktoday.tv/index.cfm?page=8.532>

Monthly web casts are the second Tuesday of each month from 2 p.m. to 3 p.m. ET. See:

<http://www.taxtalktoday.tv/viewpage.cfm?pgname=8.71>

Program Calendar for upcoming Shows

- Tuesday, September 14, 2004
"Employment Tax: IRS Compliance Initiatives"
- Tuesday, October 19, 2004
"W2s & 1099s: What Goes in Which Box?"

Earn CPE Credit: Earn 1 CPE for each contact hour by either watching each Tax Talk Today via Live web-cast (based on a 50 minute credit hour), or by watching Archived web-cast/VHS (Non-interactive Self Study based on a 100 minute credit hour).

Attention Enrolled Agents: Tax Talk Today is approved by the IRS for CPE credit.

EFTPS—Electronic Federal Tax Payment System—EFTPS

EFTPS is a service provided free by the U.S. Department of Treasury. Since Nov. 1996, payments valued at almost \$10 trillion have been made through EFTPS. The system has enabled taxpayers and tax professionals to make federal tax payments electronically using a computer with modem or a telephone. EFTPS-online is an ideal way for quarterly tax filers to make and track their payments. For details on how to use EFTPS go to: www.EFTPS.gov or call: **1-800-555-4477** or **1-800-945-8400**.

Since 1999, almost 2 million individual taxpayers have charged their taxes. This fiscal year, credit card payments are up 177 percent compared to last year. As of early April, more than 300,000 credit card payments had been made. Taxpayers can charge their taxes to their American Express, Discover Card, MasterCard or VISA accounts by

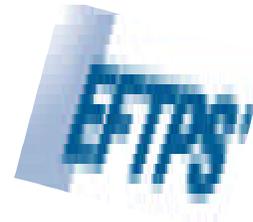
contacting one of two authorized service providers:

**Link2Gov Corporation, www.PAY1040.com,
1-888-PAY-1040 (1-888-729-1040).**

or

**Official Payments Corporation,
www.officialpayments.com,
1-800-2PAY-TAX (1-800-272-9829).**

These companies process the transactions and charge convenience fees. The IRS does not collect the fees, nor does the IRS receive or store the credit card numbers. The cardholder's account statement will show the tax payment and fee separately.



IRS e-file is Number 1 in Advertisement Competition



"All the way to
October 15"

IRS e-file Beats Out MasterCard, Citigroup on Best Marketing of Financial Services. The 2004 IRS e-file television commercials recently won a first place award for consumer rated advertising by the Financial Communications Society. This organization, saluting the best in marketing of financial services, presented the award to IRS and Foot, Cone, and Belding, the IRS

advertising agency on May 6. The "[Mail Box/Mail Check/Control Freak](#)" [TV campaign](#) won against competition of this year's MasterCard "Priceless" commercials and the Citigroup "Identity Theft" commercials. Previously this year, the "Mail Box" spot was named a Hot Spot by production industry publication *Millimeter*.

The 2004 Spanish Tax Calendar is Now Available

Good News!

The Spanish version of the 2004 Tax Calendar for Small Business and Self-Employed (Pub 1518SP, Catalog Number 37263R) is now available. This calendar is filled with useful information on general business taxes, electronic filing and paying options, business publications

and forms, and common tax filing dates. Each page highlights different tax issues and tips that may be relevant to small business owners. There is also room on each month to add notes, state tax dates, or business appointments. To order copies of the Spanish

tax calendar, call the Area Distribution Centers (ADCS) on **1-800-829-3676**.



Calendario de Impuestos 2004 del IRS
PARA PEQUEÑOS NEGOCIOS Y PERSONAS
QUE TRABAJAN POR CUENTA PROPIA

For 2004—Your Nationwide Tax Forums

The Internal Revenue Service has begun hosting a series of six Tax Forums this summer to help educate and serve the tax practitioner community. The three-day Forums are offered in July, August and September.

Attendance at the Forums, now in their 14th year, has grown steadily. Almost 17,000 tax professionals attended the Forums in 2003, an increase of about 2,000 from the year before.

The agenda for the 2004 Forums includes seminars on the new IRS e-Services program, retirement plans for small businesses, abusive tax avoidance transactions, the proposed revisions to IRS guidance on ethics and professional responsibility, privacy, faster account resolution, tax law changes and compliance initiatives, among others. The Forums will also continue the popular workshops *"Applying for Tax-Exempt Status"* and *"How to Become an Enrolled Agent."*

In addition, practitioners have an opportunity at each Forum to bring their toughest unresolved case or question to IRS representatives for on-site resolution. IRS employees are also on hand at each Forum to assist interested tax professionals in completing an application to participate in the IRS electronic return filing program.

The Forums feature a variety of basic and advanced seminars designed to provide the tax professional community with the latest and most complete information on a variety of IRS programs, practices and policies. In addition to receiving updates directly from top IRS executives, the Forums provide practitioners with an opportunity to meet and exchange ideas with other practitioners and to view vendor exhibits to learn about the latest business technologies.

Presenting seminars at the Forums this summer, are The National Association of Enrolled Agents, the National Association of Tax Professionals, the National Society of Accountants and the National Society of Tax Professionals. The American Institute of Certified Public Accountants is also participating in the Forums this year.

Enrolled agents can earn up to 22 continuing professional education credits at each Forum. Other professional groups should consult their prospective licensing group regarding qualifying credits.

The fees for this year's tax Forums are **\$99** per person per city for pre-registration and **\$200** for late or on-site registration. **Pre-registration ends three weeks before the start of each Forum.** Attendees can now register online.

Dates and Locations for the 2004 Forums:

Atlantic City, NJ Sheraton Atlantic City Two Miss America Way Atlantic City, NJ 08401 Room Rate: \$149.00 (888) 627-7212	July 6 – 8, 2004 COMPLETED, 2,750 ATTENDEES.	Orlando, FL The Peabody Orlando 9801 International Drive Orlando, FL 32819 Room Rate: \$95.00 (800) 732-2639	July 20 – 22, 2004 COMPLETED, 2,769 ATTENDEES.
Minneapolis, MN Hyatt Regency Minneapolis 1300 Nicollet Mall Minneapolis, MN 55403 Room Rate: \$110.00 (800) 233-1234	August 3 – 5, 2004	New Orleans, LA New Orleans Marriott 555 Canal Street New Orleans, LA 70130 Room Rate: \$93.00 (888) 364-1200	August 17 – 19, 2004
San Antonio, TX Marriott Rivercenter 101 Bowie at Commerce St. San Antonio, TX 78205 Room Rate: \$91.00 (800) 648-4462	August 31 – September 2, 2004	Las Vegas, NV Rio All Suites Hotel 3700 W. Flamingo Las Vegas, NV 89103 Room Rate: \$110.00 (888) 746-7482	September 14 – 16, 2004

For additional information or to register, visit the Tax Professionals page on the IRS Web site at www.irs.gov, call TerraCom, Inc., at **202-965-5169** or visit its Web site at www.taxforuminfo.com. Prospective attendees should register early to be sure of reserving hotel accommodations and space at special events.



Worth a Second Look

IR-2004-44, "Treasury and IRS Issue Guidance on S Corporations, Tax Exempt Entity Transactions."

- The Treasury Department and the IRS issued guidance on certain kinds of abusive tax avoidance transactions involving S corporations and tax-exempt entities, such as charities. These transactions are structured to improperly shift taxation away from taxable S corporation shareholders to an exempt party, for the purpose of deferring or avoiding taxes.

<http://www.irs.gov/newsroom/article/0,,id=122440,00.html>

IR-2004-47, "IRS Warns Businesses, Individuals to Watch for Questionable Employment Tax Practices."

- The IRS issued a consumer alert for eight schemes where federal employment taxes are not properly withheld or paid by employers from their employees' paychecks. The IRS alert to business owners and other taxpayers follows a string of recent convictions and court rulings involving employment tax schemes.
- Failure to pay employment taxes is stealing from the employees of the business," said IRS Commissioner Mark W. Everson. "The IRS pursues business owners who don't follow the law, and those who embrace these schemes face civil or criminal sanctions."

<http://www.irs.gov/newsroom/article/0,,id=122521,00.html>

IR-2004-48, "IRS, Justice Department Note Increase in Tax Enforcement."

- The Department of Justice, working closely with the IRS, has stepped up efforts to identify, investigate and punish tax cheats. Of particular note are the government's efforts to enhance criminal enforcement, use civil injunctions to stop abusive tax schemes, and investigate promoters and users of tax shelters.

<http://www.irs.gov/newsroom/article/0,,id=122541,00.html>

IR-2004-51, "IRS Offers Tips for Accurate Schedule K-1 Filing."

- The IRS provided tips to businesses, individuals and tax professionals to avoid errors on Schedules K-1. The Schedule K-1 is used to report income from partnerships, S corporations and some trusts.
- Accurate filing of the forms is important because the IRS continues to match income from Schedules K-1 to other tax returns.

<http://www.irs.gov/newsroom/article/0,,id=122581,00.html>

RR-2004-53, "Clarifies IRC 6103(a) pertaining to the disclosure of returns and return information to government employees."

- Issue: Whether Federal, State and local government off-

- icers or employees ("government employees") are subject to the disclosure restrictions of Internal Revenue Code section 6103(a) with regard to returns or return information received as a result of disclosures.

http://www.irs.gov/irb/2004-23_IRB/ar09.html

IR-2004-68, "IRS Lends a Hand to Small Business."

- The IRS has numerous free resources that can help small business taxpayers comply with their tax responsibilities, and none of them are further than a mouse-click away.

<http://www.irs.gov/newsroom/article/0,,id=123292,00.html>

IR-2004-69, "IRS Offers Small Businesses New Tools to Help Manage Retirement Plans."

- The IRS introduces two new tools to help small businesses keep their employee retirement plans compliant with federal tax law. These tools – a suite of retirement-plan "Check-Ups" and an employer newsletter – will help employers better understand their retirement plans and stay up to date with new developments.

<http://www.irs.gov/newsroom/article/0,,id=123294,00.html>

IR-2004-77, "IRS and State Partnership Moves Forward to Improve Compliance and Service."

- IRS announces it has seen promising early results from a partnership with the states to target abusive tax avoidance schemes.
- So far, the IRS and states have uncovered tens of millions of dollars in previously unidentified abusive transactions during the early stages of the program.

<http://www.irs.gov/newsroom/article/0,,id=123817,00.html>

IR-2004-81, "IRS Commissioner Testimony: Charitable Giving Problems and Best Practices."

- Written Statement of Mark W. Everson, Commissioner of Internal Revenue, before the Committee on Finance, U.S. Senate: Hearing on Charitable Giving Problems and Best Practices.

<http://www.irs.gov/newsroom/article/0,,id=124186,00.html>

IR-2004-87, "Strong Response to "Son of Boss" Settlement Initiative."

- Strong turnout by taxpayers to settle a tax shelter commonly known as "Son of Boss." More than 1,500 taxpayers filed Notices of Election by the June 21 deadline.

<http://www.irs.gov/newsroom/article/0,,id=124937,00.html>



DOJ/IRS Practitioners Held to a Higher Standard

Tuesday, April 6, 2004 - "Promoters of Sham Trusts Plea Guilty to Tax Fraud Charge."

- Michael Behunin pled guilty to a felony charge of conspiracy (18 U.S.C. §371) to commit mail and wire fraud and to defraud the IRS. In addition, it was announced that a co-conspirator, David J. Orr, also pled guilty to the same violation.

http://www.usdoj.gov/opa/pr/2004/April/04_tax_214.htm

Wednesday, April 7, 2004 - "Judge Bars Oklahoma City Residents From Operating Employee-Leasing Companies Allegedly Used to Evade Employment Taxes."

- Court Finds Defendants Tried to Hinder IRS Collection Through Abusive Scheme.

http://www.usdoj.gov/opa/pr/2004/April/04_tax_219.htm

Wednesday, April 7, 2004 - "Texas Federal Court Orders Jail for Multi-state Tax-Scam Promoters."

- Oklahoma City Woman, Tennessee Man Found in Contempt of Court.

http://www.usdoj.gov/opa/pr/2004/April/04_tax_218.htm

Thursday April 8, 2004 - "Aegis Trust Principals and Others Indicted in \$68 Million Tax Fraud Conspiracy Following Nationwide Undercover Investigation."

- IRS agents arrested seven defendants, including an attorney and tax return preparers, in Illinois, Indiana, New York and Alabama who, along with an eighth defendant in South Carolina, were indicted in Chicago on federal tax fraud charges.

<http://www.usdoj.gov/tax/usaopress/2004/AgeisNDC.pdf>

Tuesday, April 13, 2004 - "Bellingham Corporation Plead Guilty to Tax Fraud."

- Agree to pay \$36.5 million in back taxes, interest, penalties and fines.

<http://www.usdoj.gov/tax/usaopress/2004/Alpha-GBE.htm>

Tuesday, April 13, 2004 - "Two Promoters of Offshore Tax Fraud Scheme Plead Guilty in Oregon."

- Scheme involved Nevada corporations, bogus insurance and consulting expenses, "warehouse bank," and offshore credit cards.

http://www.usdoj.gov/opa/pr/2004/April/04_tax_232.htm

Wednesday, April 14, 2004 - "Justice Department Barred Alleged Tax Scams Sold by "National Audit Defense Network" Telemarketing Firm."

- Sham "Websites" and home businesses allegedly sold to 100,000 customers for obtaining improper tax benefits-bilking Treasury of an estimated \$324 million.

http://www.usdoj.gov/opa/pr/2004/April/04_tax_233.htm

Wednesday, April 14, 2004 - "Third Promoter of Offshore Tax Fraud Scheme Pleads Guilty in Oregon."

- Prosecutions also snared clients who used scheme to cheat.

http://www.usdoj.gov/opa/pr/2004/April/04_tax_236.htm

Wednesday, April 14, 2004 - "Grand Jury Indicts Seven Southland Residents in Fraudulent Tax Preparation Scheme That Sought an Estimated \$47 Million in Refunds."

- Yorba Linda man and six others involved with a tax preparation service were indicted on federal charges related to the preparation of thousands of federal income tax returns that fraudulently sought an estimated \$47 million in refunds from the IRS.

<http://www.usdoj.gov/tax/usaopress/2004/051.html>

Wednesday, May 12, 2004 - "Founders of "Global Prosperity" Indicted for Tax Fraud."

- Defendants allegedly concealed income in bogus trusts and offshore accounts; used debit cards and wire transfers to return money to the United States.

http://www.usdoj.gov/opa/pr/2004/May/04_tax_318.htm

Tuesday, May 18, 2004 - "Jenkins & Gilchrist Ordered to Disclose Client Identities and Produce Client Files in IRS Tax Shelter Investigation."

- U.S. District Court for the Northern District of Illinois ordered the law firm Jenkins & Gilchrist, P.C., to comply with IRS summonses seeking identities and other information relevant to the IRS investigation into certain tax shelters promoted by the firm.

http://www.usdoj.gov/opa/pr/2004/May/04_tax_338.htm

Thursday, June 17, 2004 - "Court Rules Irwin Schiff Owes U.S. Treasury Over Two Million Dollars."

- Federal court in Las Vegas ruled that Irwin A. Schiff, a well-known promoter of frivolous tax evasion excuses, is liable for over \$2 million in individual income tax liabilities and related interest and penalties, in civil litigation brought by the government to recover Schiff's unpaid income taxes for the years 1979 through 1985.

http://www.usdoj.gov/opa/pr/2004/June/04_tax_417.htm



DOJ/IRS Practitioners Held to a Higher Standard Message Specially Designed for Tax Professionals

The indictments announced on April 8th allege efforts by the Aegis defendants to defraud the United States by impeding, impairing, obstructing and defeating the assessment and collection of income taxes by the IRS. Aegis also marketed and sold trust packages throughout the United States through a network of promoters, sub-promoters, managers, attorneys and accountants.

The IRS investigation established that a series of sham paper transactions – some of which were even backdated – had no economic substance or business purpose.

IRS Commissioner, Mark W. Everson spoke in Chicago on April 8, 2004 at a press conference after the 51-count indictment that was announced and touched upon all of the service-wide enforcement.

Prepared Remarks of IRS Commissioner Mark W. Everson

“The vast majority of Americans honestly and accurately pay their taxes; something President Kennedy called “the annual price of citizenship.” More than 40 years ago, he also noted that, “The citizens must not only have confidence in the fairness of the tax laws, but also in their uniform and vigorous enforcement of these laws.”

In other words, when people file and pay their taxes, they need to feel confident their neighbors and competitors are doing the same.

At the IRS, our goal is to provide appropriate service to taxpayers. By service, we mean helping people understand their tax obligation and making it easier for them to participate in the system. At the same time, the IRS must strengthen enforcement of the tax laws in a balanced, responsible fashion – while respecting taxpayer rights. Our working equation is “Service Plus Enforcement Equals Compliance” -- not just service or enforcement. We must do both.

At the IRS, we have four enforcement priorities. We must:

- Discourage and deter non-compliance, with emphasis on corrosive activity by corporations, high income individual taxpayers and other contributors to the tax gap.
- Assure attorneys, accountants and other tax practitioners adhere to professional standards and follow the law.

- Detect and deter domestic and off-shore based tax and financial criminal activity.
- Discourage and deter non-compliance within tax-exempt and government entities and misuse of such entities by third parties for tax avoidance and other unintended purposes.

The abusive trust scheme at the center of the indictments reflects some of the worst things going on in our nation’s tax system.

The promoters even helped clients claim false charitable deductions for money purportedly given to legitimate charities. These false deductions included the costs of vacations taken by Aegis clients to places such as Hawaii under the guise that they were spending time looking for charities to make donations.

These schemes have cost taxpayers at least \$68 million. The Justice Department and the IRS will not tolerate this abuse of the system.

The IRS nationwide has ongoing criminal and civil investigations of abusive trust tax fraud schemes involving both promoters and purchasers.

What these people were doing is wrong, and there is a price to pay. All Americans who pay their taxes should take assurance that when they pay honestly and accurately, we will hold accountable those who don’t.”

Taxpayer Education and Communications IRS Stakeholder Headliners

Taxpayer Education and Communications Division (TEC), provides a source of information that you can include in your newsletters, publications and/or web-sites. ***IRS Stakeholder Headliners and more... Headliners*** can be researched by volume and/or topic. See what kinds of up to date information that can be helpful to you and your clients. Feel free to bookmark this site in your browser: <http://www.irs.gov/businesses/small/article/0,,id=10269,00.html>.

Still not sure, take a look at some of the recent *Headliners* that have been posted :

TEC Headliner #: 78 - "Initiatives to Identify Unreported Income."

- One of the IRS's priorities is to identify individuals who are filing returns but not reporting all of their taxable income. Three of the initiatives used to do this are:....

TEC Headliner #: 79 - "Form K-1 Reminders."

- IRS is updating information that was issued in Headliner #44 in order to assist taxpayers and practitioners in the treatment of Forms K-1. IRS is continuing it's K-1 matching program in order to assess compliance in the "post-filing" period...

TEC Headliner #: 80 - "Abusive Trust Tax Avoidance Schemes."

- In the last few years, IRS has noted a large increase in abusive trust tax avoidance schemes. This headliner is intended to help your stakeholders recognize and avoid these abusive trust schemes and the potential tax pitfalls that they create....

TEC Headliner #: 81— "IRS Non-Filer Outreach."

- Now that filing season has come to a close and the vast majority of taxpayers and small businesses have voluntarily filed their returns, it does not mean that our job is over. IRS is reaching out to those persons and businesses that for one reason or another have either not timely filed their returns, or do not intend on filing a return this year....

TEC Headliner #: 83 – "Abusive Trust Tax Avoidance Schemes, Document in Spanish ."

- In the last few years, IRS has noted a large increase in abusive tax avoidance schemes. This headliner reaches out to those members of the Hispanic community by providing them with two publications, both written in Spanish...

TEC Headliner #: 85 – "EFTPS FTD (Failure to Deposit) Penalty Refund Initiative."

- IRS has announced nationwide implementation of the EFTPS - FTD penalty refund offer. This allows business owners who, were assessed, and full paid, a Form 941 deposit penalty, the opportunity to receive a one-time penalty refund if they sign up for EFTPS, use it for one year (4 quarters) and make all required payments....

TEC Headliner #: 86 – "Abusive Employee Benefit Plan Tax Schemes."

- The IRS is cautioning the public about abusive tax avoidance transactions that involve various types of employee benefit plans. Typically promoters of these schemes will approach employers and ask for their participation in arrangements that promise questionable tax benefits....

TEC Headliner #: 87— "Farmers May Reduce Their Taxes Through Income Averaging."

- A provision in the Tax Relief Act of 1997, allows qualifying farmers who make the election, to use income averaging to significantly reduce their taxes. The election to income average is not automatic, ...

TEC Headliner #: 88 – "Abusive Donor Fund Arrangements."

- Donor Fund Arrangements" and other similar funds under several other names, are funds set up by promoters under the pretense of being a qualified 501 (c)(3) deduction, however in actuality, they are not charitable funds,...

Tax Calendars for 2004

The third quarter of a calendar year is made up of July, August and September

July				
1st	Excise Tax Calendar	Occupational excise taxes.	File Form 11-C to register and pay the annual tax if you are in the business of taking wages.	
12th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the first 15 days of June.	
12th	General Tax Calendar	Employees who work for tips	If you received \$20 or more in tips during June, report them to your employer.	You can use Form 4070.
14th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the last 15 days of June.	
15th	General Tax Calendar	Partnerships	File a 2003 calendar year return (Form 1065). This due date applies only if you timely requested an automatic 3-month extension. Otherwise, see April 15. Provide each partner with a copy of Schedule K-1 (Form 1065) or a substitute Schedule K-1.	If you need an additional 3-month extension, file Form 8800.
15th	General Tax Calendar	Electing Large Partnerships	File a 2003 calendar year return (Form 1065-B). This due date applies only if you timely requested an automatic 3-month extension. If you need an additional 3-month extension, file Form 8800. (See March 15 for the due date for furnishing Schedules K-1 or substitute Schedules K-1 to the partners.	
15th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	If the monthly deposit rule applies, deposit the tax for payments in June.	
15th	Employer's Tax Calendar	Non-payroll withholding	If the monthly deposit rule applies, deposit the tax for payments in June.	
27th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the last 15 days of June.	
29th	Excise Tax	Regular method	Deposit the tax for the first 15 days of July.	

Tax Calendars for 2004—Continued

The third quarter of a calendar year is made up of July, August and September

August				
2nd	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	File Form 941 for the second quarter of 2004. Deposit any un-deposited tax. (If your tax liability is less than \$2,500, you can pay it in full with a timely filed return.)	If you deposited the tax for the quarter in full and on time, you have until August 10 to file the return.
2nd	Employer's Tax Calendar	Federal unemployment tax.	Deposit the tax owed through June if more than \$100.	
2nd	Employer's Tax Calendar	All employers.	If you maintain an employee benefit plan, such as a pension, profit sharing, or stock bonus plan, file Form 5500 or 5500-EZ for calendar year 2003.	If you use a fiscal year as your plan year, file the form by the last day of the seventh month after the plan year ends.
2nd	Excise Tax Calendar	Form 720 taxes	File Form 720 for the second quarter of 2004.	
2nd	Excise Tax Calendar	Wagering tax.	File Form 730 and pay the tax on wagers accepted during June.	
2nd	Excise Tax Calendar	Heavy highway vehicle use tax.	File Form 2290 and pay the tax for vehicles first used in June.	
10th	General Tax Calendar	Employees who work for tips.	If you receive \$20 or more in tips during July, report them to your employer.	You can use Form 4070.
10th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	File form 941 for the second quarter of 2004.	This due date applies only if you deposited the tax for the quarter in full and on time.
11th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the first 15 days of July.	
13th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the last 16 days in July.	
16th	General Tax Calendar	Individuals.	If you have an automatic 4-month extension to file your income tax return for 2003, file Form 1040, 1040A, or 1040EZ and pay any tax, interest, and penalties	If you need an additional 2-month extension, file Form 2688.
16th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	If the monthly deposit rule applies, deposit the tax for payments in July.	

Tax Calendars for 2004—Continued

The third quarter of a calendar year is made up of July, August and September

August (cont)				
16th	Employer's Tax Calendar	Non-payroll withholding.	If the monthly deposit rules applies, deposit the tax for payments in July.	
25th	Excise Tax Calendar	Communications and air transportation taxes under the alter-	Deposit the tax included in amounts billed or tickets sold during the last 16 days of July.	
27th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the first 15 days of August.	
31st	Excise Tax Calendar	Heavy highway vehicle use tax.	File Form 2290 and pay the tax (or the first installment) for vehicles first used in July.	
31st	Excise Tax Calendar	Wagering tax.	File Form 730 and pay the tax on wagers accepted during July.	
September				
10th	General Tax Calendar	Employees who work for tips.	If you received \$20 or more in tips during August, report them to your employer.	You can use Form 4070.
10th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the first 15 days of August..	
14th	Excise Tax Calendar	Regular method taxes	Deposit the tax for the last 16 days of August.	
15th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	If the monthly deposit rule applies, deposit the tax for payments in August.	
15th	Employer's Tax Calendar	Non-payroll withholding.	If the monthly deposit rule applies, (deposit the tax for payments in August.	
15th	General Tax Calendar	Individuals	Make a payment of your 2004 estimated tax if you are not paying your income tax for the year through withholding (or will not pay in enough tax that way	Use Form 1040-ES. This is the third installment date for estimated tax in 2004. For more information , see Publication 505 .

Tax Calendars for 2004—Continued

The third quarter of a calendar year is made up of July, August and September

September (cont)				
15th	General Tax Calendar	Corporations	File a 2003 calendar year income tax return (Form 1120 or 1120-A) and pay any tax, interest and penalties due.	This due date applies only if you timely requested an automatic 6-month extension. Otherwise, see March 15.
15th	General Tax Calendar	S Corporations	File a 2003 calendar year income tax return (Form 1120S) and pay any tax due.	This due date applies only if you timely requested an automatic 6-month extension. Otherwise, see March 15. Provide each shareholder with a copy of Schedule K-1 (Form 1120S) or a substitute Schedule K-1.
15th	General Tax Calendar	Corporations	Deposit at least 80% of the third installment of estimated income tax for 2004. A fiscal year corporation must deposit at least 80% of any installment of estimated tax that is otherwise due on September 15. The remaining 20% is due by October 1.	A worksheet, Form 1120-W, is available to help you estimate your tax for the year.
15th	Employer's Tax Calendar	Social security, Medicare, and withheld income tax.	If the monthly deposit rules applies, deposit the tax for payments in August.	
15th	Employer's Tax Calendar	Non-payroll withholding.	If the monthly deposit rules applies, deposit the tax for payments in August.	
27th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method.	Deposit the tax included in amounts billed or tickets sold during the last 16 days of August.	
28th	Excise Tax Calendar	Regular method taxes (special September deposit rule).	Deposit the tax for the period beginning September 16 and ending September 25.	If required to make deposits using EFTPS, see September 29.
28th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method (special September deposit rule).	Deposit the tax included in amounts billed or tickets sold during the period beginning Sept 1 and ending September 10.	If required to make deposits using EFTPS, see September 29.

Tax Calendars for 2004—Continued

The third quarter of a calendar year is made up of July, August and September

September (cont)				
29th	Excise Tax Calendar	Regular method taxes.	Deposit the tax for the first 15 days of September.	
29th	Excise Tax Calendar	Regular method taxes (special September deposit rule).	If required to use EFTPS, deposit the tax for the period beginning September 16 and ending September 26.	If not required to use EFTPS, see September 28.
29th	Excise Tax Calendar	Communications and air transportation taxes under the alternative method (special September deposit rule).	If required to use EFTPS, deposit the tax included in amounts billed or tickets sold during the period beginning on September 1 and ending September 11.	If not required to use EFTPS, see September 28.
30th	Excise Tax Calendar	Wagering tax.	File Form 730 and pay the tax on wagers accepted during August.	
30th	Excise Tax Calendar	Heavy highway vehicle use tax.	File Form 2290 and pay the tax (or the first installment for vehicles first used in August).	



Taxing Trivia and Quotes

An IRS Timeline: July, 1862 –2nd Revenue Measure for the Civil War resulted in a Commissioner of Internal Revenue, established a collection district and field based Assessors and Collectors. President Lincoln appointed George M. Boutwell of MA as first Commissioner. By January of 1863, Boutwell had a Washington, DC staff of 59 with 366 Assessors and Collectors with 2,555 Deputy Assessors and 898 Deputy Collectors. Assessors received \$3 to \$5 per day depending on duties plus \$1 per hundred names on the assessment

list. Collectors received commission equal to 4% of the first \$100,000 collected and 2% thereafter. By March 1863, 3 special agents were sniffing out fraud.

[Test your knowledge](#) (see answers below)

- February, 1913, what Amendment to the Constitution was ratified?
- In what month and year was the revenue law of the United States codified as the "Internal Revenue Code" ?
- In 1955 the first IRS Service Center was established where?

[Who said?](#) (see answers below)

"The hardest thing in the world to understand is the Income Tax."

"Like mothers, taxes are often misunderstood, but seldom forgotten."

Answers: 16th Amendment, February, 1939, Kansas City, Albert Einstein, Lord Bram-

Where to File LMSB Returns

LMSB returns are Large and Mid-Size Business returns with total assets greater than or equal to \$10 million dollars. Return types include forms: 1065, 1120, 1120-A, 1120-F, 1120-FSC, 1120-L, 1120-ND, 1120-REIT, 1120-RIC, 1120-S, 1120-SF, and 990-C.

Filing locations listed are for calendar year 2004.

FORMS 1065		
If the partnership's principal business, office, or agency is located in:	And the total assets at the end of the tax year are:	Use the following Internal Revenue Service Center address:
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Less than \$10 million	Cincinnati, OH 45999-0011
	\$10 million or more	Ogden, UT 84201-0011
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	Any amount	Ogden, UT 84201-0011
A foreign country or U.S. possession	Any amount	Philadelphia, PA 19255-0012

FORMS 1120, 1120-A		
If the corporation's principal business, office, or agency is located in:	And the total assets at the end of the tax year are:	Use the following Internal Revenue Service Center address:
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Less than \$10 million	Cincinnati, OH 45999-0012
	\$10 million or more	Ogden, UT 84201-0012
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	Any amount	Ogden, UT 84201-0011
A foreign country or U.S. possession	Any amount	Philadelphia, PA 19255-0012

Where to File LMSB Returns – Continued

FORMS 1120-F, 1120-FSC

Form 1120F U.S. Income Tax Return of a Foreign Corporation	Internal Revenue Service Center Philadelphia, PA 19255-0012
Form 1120FSC U.S. Income Tax Return of a Foreign Sales Corporation	Internal Revenue Service Center Philadelphia, PA 19255-0012

FORMS 1120-L

If the corporation's principal business, office, or agency is located in:	And the total assets at the end of the tax year (Form 1120-L, Schedule L, Part I, line 6, column (b)) are:	Use the following IRS center address:
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Less than \$10 million	Cincinnati, OH 45999-0012
	\$10 million or more	Ogden, UT 84201-0012
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	Any amount	Ogden, UT 84201-0012
A foreign country or U.S. possession (or the corporation is claiming the possessions corporation tax credit under section 30A and 936)	Any amount	Philadelphia, PA 19255-0012

FORMS 1120-ND

If the corporation's principal business, office, or agency is located in:	And the total assets at the end of the tax year are:	Use the following IRS center address:
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Less than \$10 million	Cincinnati, OH 45999-0012
	\$10 million or more	Ogden, UT 84201-0012
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	Any amount	Ogden, UT 84201-0012

Where to File LMSB Returns – Continued

FORMS 1120-PC

If the corporation's principal business, office, or agency is located in:	Use the following IRS center address:
The United States	Ogden, UT 84201-0012
A foreign country or U.S. possession (or the corporation is claiming the possessions corporation tax credit under sections 30A and 936)	Philadelphia, PA 19255-0012

FORMS 1120-REIT

If the REIT's principal business, office, or agency is located in:	And the total assets at the end of the tax year (Form 1120-REIT, page 1, item E) are:	Use the following IRS center address:
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Less than \$10 million	Cincinnati, OH 45999-0012
	\$10 million or more	Ogden, UT 84201-0012
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	Any amount	Ogden, UT 84201-0012
A foreign country or U.S. possession	Any amount	Philadelphia, PA 19255-0012

FORMS 1120-RIC

If the fund's principal business, office, or agency is located in:	And the total assets at the end of the tax year (Form 1120-RIC, page 1, item D) are:	Use the following IRS center address:
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Less than \$10 million	Cincinnati, OH 45999-0012
	\$10 million or more	Ogden, UT 84201-0012
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	Any amount	Ogden, UT 84201-0012

Where to File LMSB Returns – Continued

FORMS 1120-S		
If the corporation's principal business, office, or agency is located in:	And the total assets at the end of the tax year (Form 1120S, page 1, item E) are:	Use the following IRS center address:
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Less than \$10 million	Cincinnati, OH 45999-0013
	\$10 million or more	Ogden, UT 84201-0013
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	Any amount	Ogden, UT 84201-0013
A foreign country or U.S. possession (or the corporation is claiming the possessions corporation tax credit under sections 30A and 9936)	Any amount	Philadelphia, PA 19255-0013

FORMS 1120-SF		
If the corporation's principal business, office, or agency is located in:	And the total assets at the end of the tax year are:	Use the following IRS center address:
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Less than \$10 million	Cincinnati, OH 45999-0012
	\$10 million or more	Ogden, UT 84201-0013
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	Any amount	Ogden, UT 84201-0013
A foreign country or U.S. possession (or the corporation is claiming the possessions corporation tax credit under sections 30A and 9936)	Any amount	Philadelphia, PA 19255-0013

FORMS 990-C	
Form 990C Farmers' Cooperative Association Income Tax Return	Internal Revenue Service Center Ogden, UT 84201-0027

Communications and Liaison, National Public Liaison

Let us hear from you: We welcome your comments. Please send them to the address below. We're sorry, but **Tax Hints-The Liaison Link** is only available for download from our Web site. We cannot provide printed copies.

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Washington, DC 20224

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(e-mail)

Letters to the Editor

WOW! What a great idea! You give us a forum where we can regularly talk to you and you can talk to us and let us know what is going on. I look forward to more of these. What about a kind of "Letters to the Editor" section and/or a "How Do I Solve This One?" tax question section.

What a great newsletter EA, Savannah, GA

I wish to take this opportunity to formally say thank you to those of you who have read, and provided feedback in various formats to the first issue of *Tax Hints-The Liaison Link*. Our aim is to bring to you the kind of publication that you will look forward to, utilize and enjoy.

Please let us know what else we may include in future issues. As you may have noticed, we now have a letters to the editor column.

Joy Hill

May 19, 2004

Tax Hints—The Liaison Link debuted last month, reborn as an electronic newsletter and quarterly supplement to the well-established yearly *Tax Hints* publication.

National Public Liaison Director Beanna Whitlock says her goals for the supplement are "to remind tax professionals of critical tax deadlines, bring articles of interest to tax professionals and deliver crucial messages from senior IRS executives." This first quarterly issue and future issues can be found on the IRS website at www.irs.gov, the Tax Professionals Page.

Ms. Whitlock continued, "We designed

this quarterly publication for use by tax professionals year-round.

NPL hopes you will come to see the quarterly *Tax Hints—The Liaison Link* as the best source of communication between tax professionals—both those in the IRS and those in practice. Beanna says. I want my colleagues in the profession to tell us what they think, and help us shape this new quarterly into the most useful tool it can be."

All IRS national stakeholder organizations are encouraged to share the quarterly *Tax Hints—The Liaison Link* with all of their members by incorporating it into their own publications or by sending their members its URL in their own newsletters. Please send all

feedback on the new publication to www.public_liaison@irs.gov or phone Joy Hill at (404) 338-8842 or Jerry Ruelle at (202) 622-6051.

Beanna concludes, "Sharing the latest IRS information with its stakeholders in the professional community through this new publication not only supports one of Commissioner Everson's key themes, service + enforcement = compliance, *Tax Hints—The Liaison Link* will help us forge even stronger partnerships in the future."

Link Staff

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